

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

## MEMORANDUM

TO: Chicopee Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 22, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 and January 1 of each fiscal year (average assumed date of October 1). The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

The funding schedule also shows the appropriation if made on July 1. As we noted in our prior approval memorandum (November 19, 2013), for the past several years the City has made a portion of the appropriation in July and the remainder by December 31. So the overall October 1 date appears reasonable. However, the other units have consistently made their appropriations on July 1. Therefore, the allocation by unit page of our FY16 appropriation letter will be prepared to reflect a July 1 payment date for each unit. We will adjust the City's amount in the cover letter to reflect the payments expected to be made as of July 1 and December 31.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl

Enc.



**CHICOPEE RETIREMENT SYSTEM**  
**FUNDING SCHEDULE**

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAL	Net 3(8)(c) Payments	Schedule Contribution	Adjusted for Semiannual Payments
2015*	2,412,547	109,189,197	13,754,506	197,206	16,364,259	16,679,073
2016	2,521,112	103,069,466	14,055,048	197,206	16,773,366	17,096,050
2017**	2,634,562	87,509,596	14,360,932	197,206	17,192,700	17,523,451
2018	2,753,117	79,000,557	14,672,194	197,206	17,622,517	17,961,537
2019**	2,877,007	67,291,673	14,988,867	197,206	18,063,080	18,410,576
2020	3,006,472	56,487,031	15,310,979	197,206	18,514,657	18,870,840
2021	3,141,764	44,470,136	15,638,554	197,206	18,977,524	19,342,611
2022	3,283,143	31,138,109	15,971,613	197,206	19,451,962	19,826,176
2023	3,430,885	16,379,816	16,379,816	197,206	20,007,907	20,392,817
2024	3,585,274	-	-	197,206	3,782,480	3,855,247

Amortization of Unfunded Liability as of July 1, 2014						
Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2005	2002 ERI	52,888	0.0%	15	52,888	5
2006	2003 ERI	185,556	0.00%	15	185,556	6
2012	2010 ERI	140,466	0.00%	10	140,466	7
2015	Fresh Start	NA	NA	9	NA	9

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established.

Type is the reason for the creation of the base. Examples are Gain/(Loss) or Fresh Start.

Original Amortization Amount is the annual amortization amount when the base was established.

Percentage Increasing is the percentage that the Original Amortization Amount increases per year.

Original # of Years is the number of years over which the base is being amortized.

Current Amortization Amount is the amortization payment amount for this year.

Years Remaining is the number of years left to amortize the base.

\*Contribution in FY2015 is per agreement with PERAC, post-2015 contributions are increased by 2.5% thereafter, FY2023 payment is increased 2.86% to allow the UAAL to be zero in FY2024

\*\*FY 2017 and FY 2019 recognize adjustment for deferred actuarial asset gains and losses